

20 December 2019

Carrapateena produces first copper concentrate; operational ramp up outlined

- **First saleable concentrate produced at Carrapateena**
- **Sub-level cave now producing**
- **Overall project value continues to align with Feasibility Study Update**
- **Targeting faster mine ramp up of circa 12-months due to larger sub-level cave footprint and mine optimisation**
- **Block Cave Expansion Pre-Feasibility Study progressing**

First 'saleable copper-gold concentrate' has now been produced into the pre-filter press feed tank at Carrapateena, OZ Minerals' new underground copper mine in South Australia, approximately 160 km north of Port Augusta.

Achievement of the concentrate production milestone meets the Q4 2019 schedule mapped out on Board approval of the project in August 2017. The pre-production capital cost at first saleable concentrate is approximately \$970 million with 2019 growth capital spend on track for guidance of \$540 million to \$570 million.

Sufficient saleable concentrate is expected to be produced to the filter feed tank over the coming days to then complete our first concentrate press. Over 280,000 tonnes of development ore is stockpiled on the surface as the mine now enters a faster circa 12-month ramp-up towards reaching a 4.25Mtpa¹ throughput rate by the end of 2020, dependent upon the cave performing as expected.

Having produced first concentrate the overall project value continues to align with the Feasibility Study Update of 2017. The initial metrics for the 2020 ramp-up were not detailed in that update and can now be provided, see page 2. Longer term and more detailed guidance will be released with the fourth quarter report at the end of January 2020 once the planning process is complete.

OZ Minerals Chief Executive Officer, Andrew Cole, commended the efforts of all involved in developing Carrapateena "This project began three years ago with initial decline works kicking off in Q3 2016 followed by Mining Lease approval in April 2018 and first underground development ore in April this year.

¹ The production target initially appeared in the announcement entitled "OZ Minerals Carrapateena Feasibility Study Announcement and Update" which was released to the market on 24 August 2017 and is available to view at www.ozminerals.com/media/asx. OZ Minerals confirms that all the material assumptions underpinning the production target in the original market announcement continue to apply and have not materially changed.

"Today's milestone represents the collaboration, support and hard work of a great many people including our operations and construction teams and the large number of contractors involved. We have been privileged to have the support and direct contribution from the traditional owners, the Kokatha people, and our pastoralist neighbours, as well as from a great many individuals and businesses in the Upper Spencer Gulf and elsewhere in South Australia.

"The South Australian Government has supported the project throughout whilst ensuring we meet or exceed their rigorous environmental and other permitting requirements.

"The project has generated over 1,000 direct jobs from construction through to production as well as many thousands of indirect benefits to South Australia. We acknowledge and thank all involved for their contribution to the development of this new South Australian mine.

"Our key operational focus remains on underground development as we ramp-up the mine. The streamlined mine design with an expanded footprint will improve cave establishment, reduce risk during the ramp-up phase and may enable future annual throughput expansion opportunities as we continue to assess options to expand capacity above 4.25Mt annually.

"Although we announce first saleable concentrate today, we have already commenced a block cave expansion scoping study looking at increasing both the life and production capacity of Carrapateena from 2025². Exploration also continues around Carrapateena to improve our understanding of the broader province potential." Mr. Cole said.

Ramp up commentary

Sub-level cave mine production has now commenced and as the mine continues to ramp up, we will use the opportunity to test and optimise the plant throughout the first half of 2020, leading to gradual throughput and recovery increases which will drive progressively higher output in the second half.

The now larger sub-level cave footprint along with an optimised mine design is expected to enable a faster cave ramp-up, provided the cave performs as modelled. This would see the target 4.25 Mtpa run rate reached by end-2020. The larger footprint may also enable future annual throughput expansion opportunities.

Capital expenditure in 2020 will include permanent mine development, the ~50km Western Access Road construction and completion of conveyor installation and crusher 1. It will also include the one-off remaining purchase consideration payment.

Production for 2020, as the ramp up progresses, is expected to be in the range of 20,000 to 25,000 tonnes of copper and 35,000 to 40,000 ounces of gold at an expected full year C1 cost of US \$1.80 to \$2.00 per pound. Due to the fixed cost nature of the mine, unit costs will be higher in the first half and move lower in the latter half in line with mine production ramp-up.

Longer term and more detailed guidance will be released with the Q4 report at the end of January 2020.

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This announcement is authorised for market release by OZ Minerals' Managing Director and CEO, Andrew Cole.

² Further details are contained in the announcement entitled "Carrapateena Block Cave Expansion has potential to optimise value and further unlock the province" which was released to the market on 6 March 2019 and is available to view at

www.ozminerals.com/media/asx.